



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

AGENDA - Lodi Public Improvement Corporation

Date: September 20, 1995

Time: 7:00 p.m.

For information regarding this Agenda please contact:

Jennifer M. Perrin

City Clerk

Telephone: (209) 333-6702

**MEETING OF THE
Public Improvement Corporation (PIC)
of the City of Lodi**

Res. No. 95-2

- A. Call to order by President Stephen J. Mann
- B. Roll call to be recorded by Secretary
- C. Approval of sale of \$5 million Certificates of Participation under Small Issue Arbitrage Financing Program
- D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.


Jennifer M. Perrin
Secretary
Lodi Public Improvement Corporation



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approval of Sale of \$5 million Certificates of Participation under Small Issue Arbitrage Financing Program

MEETING DATE: September 20, 1995

PREPARED BY: Acting Finance Director

RECOMMENDED ACTION: That the L.P.I.C. adopt Resolution No. 95-2 approving the sale of \$5 million Certificates of Participation under the Small Issue Arbitrage Financing Program to finance a number of capital projects.

BACKGROUND INFORMATION: The 1995-97 Financial Plan and Budget expressed the need to finance a number of capital projects over the next three years, including the Performing Arts Facility, and Downtown Renovation. Past financing programs included the issuance of annual Tax Revenue Anticipation Notes (TRANs) to generate new revenue from arbitrage earnings for capital needs. The City can issue up to \$5 million per year of debt and arbitrage on an unlimited basis. The TRAN program does not reach the allowable \$5 million limit. In addition, the TRAN is a short-term program, not a permanent solution.

In the proposed small issue arbitrage financing program the City would sell a 20 year \$5 million Certificate of Participation in each of the next three calendar years. Since it would fall under the small issue exemption, the proceeds would be arbitrated until needed. The City would sell the City Hall and/or Police Facility to the Lodi Public Improvement Corporation which in turn would sell it back to the City under a lease purchase agreement. The annual lease payments would be backed by the City's general fund. These payments would be budgeted from the 30% of the property taxes allocated to the Capital Outlay Fund as approved in the budget policies.

John Firzgerald from Seidler-Fitzgerald Public Finance will be present to answer any questions.

FUNDING: Annual payments: Capital Outlay Fund

Vicky M. Athie
Vicky McAthie
Acting Finance Director

APPROVED: _____

Thomas A. Peterson
THOMAS A. PETERSON
City Manager



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LODI PUBLIC IMPROVEMENT CORPORATION

RESOLUTION NO. 95-2

**RESOLUTION APPROVING, AUTHORIZING AND DIRECTING
PREPARATION AND EXECUTION OF CERTAIN LEASE FINANCING
DOCUMENTS AND AUTHORIZING AND DIRECTING CERTAIN
ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of Lodi Public Improvement Corporation (the "Corporation"), as follows:

WHEREAS, the City of Lodi, California (the "City"), working together with the Corporation, is proposing to proceed with a lease financing;

WHEREAS, in connection therewith, the City proposes to finance the acquisition, construction and installation of certain public improvements within the geographic boundaries of the City (the "Improvements"), and it is in the public interest and for the public benefit that the Corporation authorize and direct execution of the Lease Agreement and certain other financing documents in connection therewith;

WHEREAS, the documents below specified shall be filed with the Corporation and the members of the Board, with the aid of its staff, shall review said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. The below-enumerated documents be and are hereby approved, and the President, the Executive Director or the Assistant Executive Director is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the Secretary of the Corporation is hereby authorized and directed to attest to such official's signature:

- (a) a site and facility lease, between the City, as lessor, and the Corporation, as lessee;
- (b) a lease agreement, between the Corporation, as lessor, and the City, as lessee (the "Lease Agreement");
- (c) an assignment agreement, by and between the Corporation and Bank of America National Trust and Savings Association, as trustee, (the "Trustee"), pursuant to which the Corporation will assign certain of its rights under the Lease Agreement, including its right to receive lease payments thereunder, to the Trustee;
- (d) a trust agreement, by and among the Corporation, the City and the Trustee, relating to the financing and the execution and delivery of certificates of participation evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the City under the Lease Agreement; and

(e) a purchase agreement, by and among Seidler-Fitzgerald Public Finance (A Division of The Seidler Companies Incorporated) (the "Underwriter"), the City and the Corporation, relating to the purchase by the Underwriter of the Certificates, so long as the Underwriter's discount does not exceed 2% of the principal amount of the Certificates

Section 2. The President, the Executive Director, the Assistant Executive Director, the Secretary and other officials of the Corporation are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 3. This Resolution shall take effect upon its adoption by the Board.

I, the undersigned Secretary of the Lodi Public Improvement Corporation, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Corporation at a meeting thereof on the 20th day of September, 1995, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

President

Secretary